

Legal Maneuvering Ties Up Iran-Contra Report

By Walter Pincus
Washington Post Staff Writer

A special three-judge panel of the U.S. Court of Appeals has delayed for at least two months a decision on making public the controversial final report of Iran-contra prosecutor Lawrence E. Walsh, according to informed sources.

The unexpected action, taken in response to sealed motions by lawyers for former president Ronald Reagan and others, raises the possibility that parts or all of the 700-page document may eventually be suppressed, sources said.

Neither Walsh nor Reagan's attorney, Theodore B. Olson, would comment yesterday on the matter.

Under the procedures adopted by the special panel, legal maneuvering associated with the report is being kept secret and lawyers are forbidden to discuss the report publicly under threat of being found in contempt of court.

This latest turn in the nearly seven-year-old investigation into the worst scandal of the Reagan administration stems from anger being voiced by some individuals at the way they are mentioned in the Walsh report. The court has permitted them or their lawyers to read sections relating to themselves or their clients.

Responses were originally due on Oct. 4, sources said. But under the

decision made last week by the special three-judge panel, motions or other responses to the panel will now be due in early December, the sources said.

Under provisions of the independent counsel law, Walsh is required to produce a detailed report about his investigation before the termination of his office. Walsh filed the report with the special panel of appellate judges on Aug. 6. Although his operation was closed in August, he remains as independent counsel until his report is released.

Walsh said yesterday he could not describe what role he has, if any, in the current controversy over the report.

Several persons who have read sections of the report involving them or their clients under the tightly controlled rules of the special panel said that reputations could be harmed by the report as written. "Walsh shouldn't be permitted to destroy the character of a person without a prosecution," one source said.

Sealed motions to delete material, add rebuttals or suppress the report may be filed in the next two months, according to at least two lawyers involved in the matter.

News about the special panel's decision was first reported yesterday by the Associated Press.